

DEPARTMENT OF SOCIAL SERVICES  
744 P Street, Sacramento, CA 95814

February 15, 1994

ALL-COUNTY LETTER NO. 94-12

ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY GAIN COORDINATORS  
ALL COUNTY AFDC COORDINATORS  
ALL COUNTY CWPDP COORDINATORSReason for this Transmittal

- ☒ State Law Change
- ☐ Federal Law Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☐ Initiated by SDSS

SUBJECT: REVISED GAIN REGULATIONS

We filed emergency regulations to implement portions of Senate Bills (SB) 35 and 1078 (Chapters 69 and 1252, Statutes of 1993) with the Secretary of State on December 31, 1993. They took effect on January 1, 1994. These regulations implement provisions of SB 35 and 1078 that are federal compliance provisions or that do not require federal approval.

The California Department of Social Services (CDSS) will be providing training on these regulations during February 1994. Following the training we will issue a question-and-answer All-County Letter (ACL) addressing implementation issues raised by counties. In the interim, we are providing a summary of the new regulations and guidelines on their implementation. We are enclosing a copy of the regulations as they were filed with the Secretary of State.

Regulations for those GAIN provisions requiring federal approval will be implemented after the needed federal approvals are received. These provisions include: limiting the exemption for having a child under age three; restricting receipt of some post-assessment services to one time until all eligible participants are being served; establishing a work experience component for AFDC-U parents; and, establishing the Cal-Learn Program for teen parents.

In addition to the GAIN Program regulations, the Aid to Families with Dependent Children (AFDC) and Food Stamp Programs have also implemented, or are anticipating implementing, regulations for their provisions of SB 35 and SB 1078. The AFDC Program has already implemented, effective September 1, 1993, regulations that reduce the maximum aid payment (MAP) and extend the \$30 and 1/3 income disregard. Regulations to increase property limits, including allowing a higher automobile value, and to allow increased savings for specific purposes (restricted accounts) are anticipated to be effective April 1, 1994. Except for the MAP reduction, all of these provisions will apply only to recipients.

Senate Bill 35 authorized the department to develop and implement a statewide demonstration project to test specific provisions of the AFDC and Food Stamp Programs. We anticipate forwarding the compatibility demonstration project proposal to the appropriate federal agencies for approval in September 1994; the Department will promulgate the necessary regulations when that approval is received.

## REGULATIONS SUMMARY

### Displacement (MPP 42-730.131 and .329)

Employment, training and PREP activities cannot result in displacement, including partial displacement, or a reduction in regular or overtime work hours, wages or employment benefits.

### PREP Seniority (MPP 42-730.328)

PREP participants are eligible for seniority in merit public agencies only when specifically provided for in federal, state or local law, or in applicable collective bargaining units.

### Supportive Services (MPP 42-750.416, .55 and .7)

Participants who are assigned to on-the-job training (OJT) and grant diversion assignments will have their requests for on-going transportation and/or work-related expense payments lowered by the standard AFDC work expense disregard or their exact earnings, whichever is less. This means that the amount of the disregard is applied first when the county determines whether the participant's on-going transportation and/or work-related expenses are met.

### AFDC-U Parents Participation Requirements (MPP 42-761.4(m) and 42-775)

1. Parents in AFDC-U cases can no longer be deferred solely on the basis that one parent is already participating in GAIN. Both parents are required to participate unless another deferral or exemption criterion is met.
2. At least one parent in each AFDC-U case must participate for an average of at least 16 hours per week in one or more of the following employment activities: PREP, OJT, any activity funded by grant diversion and unsubsidized employment. Counties may require concurrent participation in an employment activity and any other program activity; however, except as provided for parents under age 25, only those hours of participation in one of the specified employment activities count toward the 16 hour requirement.

An AFDC-U parent under age 25 who does not have a high school diploma or equivalent may be required to participate in an educational activity in lieu of an employment activity. Concurrent participation in an educational activity and an employment activity, or any other program activity, may be required; again, only those hours of participation in the educational and/or employment activity count toward the 16 hour requirement.

For purposes of meeting the AFDC-U participation requirements, the following shall apply:

- At a minimum, an appraisal must be completed for the affected AFDC-U parents. If, based on the appraisal, it is not possible to determine the appropriate employment activity, the county shall refer the participant to assessment.
- For PREP participants, the 16 hour requirement will be satisfied as long as the individual participates for the required number of hours determined by the PREP calculation, even if the number is less than 16 hours per week.
- For parents under age 25 who do not have a high school diploma or equivalent and who are referred to an educational activity, the 16 hour requirement will be satisfied as long as the individual participates and maintains satisfactory progress in the education activity, even if the activity's hours are less than 16 per week.
- The 16 hour requirement can be met by averaging a participant's hours of participation over the month that is being measured. As long as the average for the participant equals or exceeds 16 hours per week for the month, the requirement will be met.

Conciliation (MPP 42-781)

The time period for conciliation has been reduced from 30 calendar days to 20 calendar days. Time periods for rescheduling appointments and completing cause determinations have also been reduced. In addition, when an individual fails or refuses to comply with a conciliation plan, the county is no longer required to hold a cause determination appointment; instead, the county must make a reasonable effort to contact the individual to determine if good cause exists for the failure/refusal.

Net Loss of Income (MPP 42-784.44 and .5)

When determining net loss of income, the AFDC one-third disregard must be included in the post-employment grant calculation. We have also provided updated examples, which include current grant amounts and supplemental child care payments.

Sanctions (MPP 42-786.314)

Second parents in AFDC-U cases are no longer "automatically" sanctioned if they refuse to participate when the first parent is sanctioned. Second parents can be sanctioned only if they fail or refuse to participate and do not meet an exemption criterion (except for caring for a child under age 3 and caring for another household member), deferral criterion or a good cause criterion.

In addition to the above provisions, we have made various technical corrections to existing regulations.

## **IMPLEMENTATION GUIDELINES**

### Informing Requirements

Beginning immediately the enclosed GAIN Guidebook Stuffer must be provided to all new participants, along with the current GAIN Guidebook, until the revised GAIN Guidebook is available.

Counties must also inform current participants, including those individuals who are currently deferred, of the new requirements at the time of their next appointment. Counties may use the GAIN Guidebook Stuffer to discuss the changes. Counties must document in the case file that the affected individuals have been informed of the changes.

### Supportive Services

For individuals currently participating in an OJT or grant diversion funded activity, the county must provide advance notice of the new requirement. Therefore, the attached GAIN Notice (TEMP 2065) must be sent as soon as administratively feasible. For these individuals, the initial application of the work expense disregard will be the month following their receipt of the TEMP 2065 notice. Counties must document in the case file that the TEMP 2065 was sent.

Information regarding the new regulatory requirement has been added to the participant contracts and to the GAIN Guidebook Stuffer for individuals entering OJT or grant diversion activities after January 1, 1994.

Counties must use either the revised M42-750G NOA or the new M42-750L.1 NOA to inform participants of the application of the standard AFDC work expense disregard. These NOAs will be transmitted under separate cover.

Overpayment of on-going transportation and/or ancillary expenses has been added to the definitions of supportive services overpayments (MPP 42-751).

### AFDC-U Parents Participation Requirements

1. Second parents in AFDC-U cases who are now required to participate because they can no longer be deferred, must be brought into the program as soon as is possible. However, as discussed in ACIN I-44-93, dated December 22, 1993, counties are not expected to discontinue services to existing participants to accommodate the increased AFDC-U caseload. Counties should bring in these new participants consistent with their approved cost reduction plans (if any) as resources permit.

2. As stated previously, at least one parent in each AFDC-U case must participate for an average of at least 16 hours per week in an allowable employment activity.

Parents who are currently participating in an activity other than an allowable employment activity (PREP, OJT, grant diversion or unsubsidized employment, or education if under age 25 and no high school diploma or equivalent) shall be allowed to complete their current contracts. However, if the participant agrees, following an assessment, he/she may be referred to an allowable employment activity prior to completion of the current contract; such agreement must be documented in the case file.

For those parents who choose to complete the current contract, if the next scheduled activity is not an allowable employment activity, the parent must be reassessed to determine which of the allowable activities will best assist him/her in meeting his/her employment goal.

Concurrent participation in one or more of the allowable activities and any other program activity may be required; however, in order to meet the new participation requirement, the parent must participate for an average of at least 16 hours per week in an allowable employment activity.

If an AFDC-U parent is not participating in an allowable employment activity and chooses to complete the current contract, the second parent, who can no longer be deferred and must now participate, will be required to meet the new participation requirement.

#### Conciliation

Individuals who entered the cause determination/conciliation process prior to January 1, 1994 continue to be subject to the provisions in effect prior to January 1, 1994. Those individuals entering the cause determination/conciliation process after January 1, 1994, are subject to the new provisions. This includes individuals who had an instance of noncompliance prior to January 1, 1994 that was not discovered until after that date.

#### Sanctions

Effective January 1, 1994, current sanctions must be discontinued for second parents who have failed or refused to participate when the first parent has been sanctioned. The circumstances for each second parent to whom this applies shall be reviewed to determine if he/she:

- meets an exemption criterion, except for providing care to a child under age 3 or to a disabled household member; or,
- meets a deferral or other good cause criterion.

If neither of the above apply, the second parent is required to participate, consistent with the guidelines under AFDC-U Parents Participation Requirements (see Page Four). Those second parents who fail or refuse to participate after being informed of the requirement to do so, are subject to the cause determination/conciliation/sanction processes. Enclosed is a recommended one-time NOA for discontinuing sanctions for second parents.

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If you have any questions regarding this letter, please contact your GAIN Operations analyst.

A handwritten signature in black ink, appearing to read "Michael C. Genest". The signature is fluid and cursive, with a large loop at the end.

MICHAEL C. GENEST  
Deputy Director  
Welfare Programs Division

Enclosures

Amend Section 22-022.5 to read:

22-022 TIMELY NOTICE - AID PENDING HEARING (Continued)

22-022

- .5 Except as provided in Sections 22-054.1, 22-022.6, 22-023.122 and 41-440.12(i), when the claimant files a request for a state hearing prior to the effective date of the notice of action, which is subject to Section 22-022.1, aid shall be continued in the amount that the claimant would have been paid if the proposed action were not to be taken, provided the claimant does not voluntarily and knowingly waive aid. This section shall not apply to Greater Avenues for Independence (GAIN) supportive services payments (see Section 42-750.712). In the Food Stamp Program, benefits shall be continued on the basis authorized immediately prior to the notice of adverse action.  
(Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10613, 11209, and 11511(a), Welfare and Institutions Code; 45 CFR 205.10; 45 CFR 255.2(h)(2); 45 CFR 256.2(c); and 45 CFR 256.4(d).

Amend Section 42-710 to read:

42-710 INTRODUCTION TO GAIN (Continued)

42-710

.3 Definitions for Terms Used in This Chapter (Continued)

- (k) "Participant" means a mandatory or voluntary registrant who is ~~required~~  
~~to participate~~ in GAIN. (Continued)
- (r) "SCDSS" means the ~~State~~ California Department of Social Services.  
(Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference:

Sections 11320, 11320.2, 11320.4, 11320.6, 11320.8, 11321,  
11321.2, 11321.4, 11321.6, 11321.8, 11322, 11322.2, 11322.4,  
11322.6, 11322.8, 11323, 11323.1, 11323.15, 11323.2, 11323.4,  
11323.6, 11323.8, 11324, 11324.2, 11324.4, 11324.6, 11324.8,  
11325, 11325.2, 11325.4, 11325.6, 11326, 11326.2, 11326.4,  
11326.6, 11326.8, 11327, 11327.2, 11327.4, 11327.5, 11327.6,  
11327.8, 11328, 11328.1, 11328.2, 11328.4, 11328.6, 11328.8,  
11329, 11329.2, 11329.4 and 11329.5 ✓ Welfare and Institutions  
Code.

13280

Amend Section 42-730 to read:

42-730 GAIN JOB, TRAINING, AND EDUCATION SERVICES

42-730

- .1 The CWD may provide job, training, and education services directly to program participants, or by referral to services provided by the PIC. The CWD also shall enter into contracts or interagency agreements as specified in Sections 42-740, 42-741, and 42-742 with private or public agencies for the provision of these services when not provided directly by the CWD. The CWD shall be responsible for receiving and resolving complaints regarding displacement as described in .13 and .329 below. (Continued)
- .13 An employment or training program position, other than a PREP position (see Section 42-730.329), may not be created as a result of, or may not result in, any of the following:
- .131 Displacement, or partial displacement, of current employees, including, but not limited to, a reduction in regular work hours and overtime ~~currently worked by these employees~~ hours, wages or employment benefits. (Continued)
- .3 Training services shall include: (Continued)
- .32 Preemployment Preparation (PREP) (Continued)
- .328 Time worked in public agency PREP positions shall apply toward the participant's seniority in the merit public agency positions only if permitted under state or federal law, local ordinance or applicable collective bargaining agreements.
- .329 A PREP position may not be created as the result of, or may not result in, any of the following:
- (a) Displacement, or partial displacement, of current employees, including, but not limited to, a reduction in regular work hours and overtime ~~currently worked by these employees~~ hours, wages or employment benefits. (Continued)

10604

Authority Cited: Sections 10553 and 10554<sup>1</sup> Welfare and Institutions Code.

Reference: Section 11322.6(f), 11322.6(f)(2), 11322.8(h)(6), 11323, 11323.15, 11324.2(a)(2), 11324.4(b), 11324.6, and 11330.7, Welfare and Institutions Code; 45 CFR 250.60(c) and (d); ~~and~~ 45 CFR 250.62(b)(2); and 45 CFR 251.3(a).

Renumber Section 42-750.7 to Section 42-750.12 and amend Section 42-750 to read:

42-750 SUPPORTIVE SERVICES

42-750

- .1 Supportive services shall be provided to GAIN registrants to enable them to participate in GAIN activities or to accept employment opportunities. Child care supportive services shall also be provided for children of Indian Tribal JOBS Program participants. As specified in Section 42-782.1(g) or 42-783.1(k), participation shall not be required if the needed services are not available, not arranged, or are insufficient to meet the participant's needs. (Continued)

.712 When a participant requests a hearing within the period of timely notification (see Section 22-022.5) to appeal a suspension, reduction or termination of GAIN supportive services or a change in the method of providing such services, the participant shall not be entitled to a continuation of GAIN supportive services in the same amount or form pending the hearing decision. The participant shall be entitled to supportive services only at the level and in the form authorized by the county action under appeal. (Continued)

- .4 Reasonable transportation costs shall be paid for every participant to and from his or her GAIN assignment, including transportation to and from the child care provider, and transportation for children to and from child care.

.41 Regional market rates for transportation shall be determined as follows: (Continued)

.416 Participants who are in approved on-the-job training, grant diversion, supported work, or transitional employment assignments and who continue to receive an AFDC grant shall be eligible for transportation expense payments in accordance with Section 42-750.7.

- .5 Ancillary expenses shall be paid when necessary to participate in approved GAIN activities or to accept employment opportunities. These expenses shall include books, tools, clothing, fees, and other necessary costs of a work, education or training assignment. (Continued)

.55 Participants who are in approved on-the-job training, grant diversion, supported work, or transitional employment assignments and who continue to receive an AFDC grant shall be eligible for ancillary expense payments in accordance with Section 42-750.7. (Continued)

- .7 Participants who are in on-the-job training, grant diversion, supported work, or transitional employment assignments and who continue to receive an AFDC grant shall be eligible for transportation and ancillary expense payments in accordance with Sections 42-750.4 and .5 for the duration of his/her assignment, to the extent the need for transportation and ancillary expense payments exceed the AFDC standard work expense disregard as specified in Section 44-113.214.

.71 The CWD shall determine the amount of the transportation and/or ancillary expense payment based on a calculation of the amount of transportation and/or ancillary expense payment requested by the participant and approved by the CWD minus the standard work expense disregard.

.711 The CWD shall apply the standard work expense disregard when the earnings are equal to or in excess of the disregard amount. The CWD shall apply the actual amount of earnings, rounded to the next lower dollar, when the earnings are less than the standard work expense disregard.

(a) For purposes of the calculation described in Sections 42-750.71 and .711 and in the absence of a monthly eligibility report, the CWD shall use an estimate of monthly earnings provided by the participant.

(1) The calculations specified in Section 42-750.711 and 42-750.711(a) shall apply to advance payments and reimbursements.

HANDBOOK BEGINS HERE

(b) The participant has requested a \$50 transportation expense payment for May. The participant indicates that the earnings posted on the monthly eligibility report will be \$40. Based on the estimated earnings, the CWD reduces the GAIN transportation expense payment by \$40. The GAIN transportation payment will be \$10.

Monthly eligibility report earnings	\$40
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GAIN transportation expense payment request	\$50
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Work expense disregard	-\$40
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GAIN transportation expense payment	=\$10
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(c) The participant requests a \$50 transportation expense payment in July. The participant specifies that the monthly eligibility report for July will show earnings of \$100. Based on the estimated earnings the GAIN transportation expense payment is \$0. In August, the county receives the July monthly eligibility report with earnings of \$100.

<u>Monthly eligibility report earnings</u>	<u>\$100</u>
<u>GAIN transportation expense payment request</u>	<u>\$ 50</u>
<u>Work expense disregard</u>	<u>-\$ 90</u>
<u>GAIN transportation expense payment</u>	<u>=\$ 0</u>

HANDBOOK ENDS HERE

- .712 The CWD shall inform the participant prior to the beginning of the assignment of the procedures specified in Section 42-750.7.
- .713 The CWD shall notify the participant of any changes to existing supportive services payments as specified in Section 42-750.8.
- .714 Transportation and/or ancillary expense payments subject to the procedures specified in Sections 42-750.7 and .711 shall include on-going expenses necessary for participation in an on-the-job training, grant diversion, supported work, or transitional employment assignment.
- (a) On-going transportation expenses shall include, but are not limited to, gasoline expenses, public transportation costs, and monthly parking fees.
- (b) On-going ancillary expenses shall include but are not limited to, monthly training supplies costs.
- .715 One-time transportation and/or ancillary expenses payments shall not be subject to the procedures specified in Sections 42-750.7 and .711.
- (a) One-time transportation and/or ancillary expense payments shall be determined in accordance with Sections 42-750.4 and .5.
- (b) One-time transportation expenses shall include but are not limited to, transportation costs necessary to accept employment in the first month of the assignment; this will include necessary transportation expenses prior to receipt of the first pay check.
- (c) One-time ancillary expenses shall include, but are not limited to, drivers license fees, books, and clothing specific to the assignment.
- (d) One-time transportation and/or ancillary expenses that recur during a subsequent assignment may be approved for payment as specified in Sections 42-750.4 and .5.
- .716 In a month in which a transportation expense payment, as specified in Section 42-750.4 and an ancillary expense payment, as specified in Section 42-750.5 are requested, the CWD shall apply the work expense disregard one time to the combination of the requested expenses.

HANDBOOK BEGINS HERE

- (a) The participant requests a \$100 on-going transportation expense payment and a \$20 on-going ancillary expense payment for May. The CWD adjusts the supportive services payments for May based on the participant's estimated earnings for May of \$95. Because the estimated earnings exceed the standard work expense disregard, the CWD reduces the combined supportive services request (\$120) by the standard work expense disregard. The CWD then owes the difference of \$30 to the participant. The participant requests that the \$30 be applied to the transportation expense payment.

Estimated earnings	\$ 95
Transportation expense request	\$100
Ancillary expense request	+ 20
	= \$120
Work expense disregard	- 90
GAIN transportation payment	= \$ 30

HANDBOOK ENDS HERE

.717 In a month in which an on-going transportation and/or ancillary expense payment is advanced or reimbursed to the participant based on an estimate of earnings and the payment exceeds the amount the participant is entitled to receive as specified in Sections 42-750.7 and .711, the CWD shall adjust the subsequent month's transportation and/or ancillary expense payment(s) to recover the excess amount paid.

- (a) The CWD shall notify the participant of the adjustment to future transportation and/or ancillary expense payments as specified in Section 42-750.8.
- (b) If, upon receipt of the notice specified in Section 42-750.717(a), the participant indicates that the adjustment based on the excess amount paid will preclude participation in the program or prevent employment, the county shall:
- (1) Not adjust the next payment; and
  - (2) Follow the overpayment recovery procedures specified in Section 42-751.
- (c) Except as specified in Section 42-750.717, if the county is unable to collect in part or in full the over paid amount the county shall collect the remaining portion using the appropriate overpayment recovery procedures specified in Section 42-751.

(a) Any amount owed to the participant shall be provided within 20 calendar days as specified in Section 42-751.11.  
(Continued)

Reference: Sections 10613, 11209, 11320.3(f), 11320.6(e)(5), 11322.2(a), 11323.2, 11323.4(b), ~~11323.4(c)~~, and ~~11323.4(d)~~, 11323.6(d)(1), (d)(2), (e)(2) and (f), 11325.2(a)(5)(C)(i) and 11500(c)(1), Welfare and Institutions Code, AB 312, Chapter 1568, Statutes of 1990; 45 CFR 250.40(a)(2) and (3), 45 CFR 250.48(a)(3), 45 CFR 250.61(e) and (f), 45 CFR 250.95(b), 45 CFR 255.1(e)(1) and (4), 45 CFR 255.2(a)(1), (a)(2), (b)(1) and (b)(2), 45 CFR 255.2(b)(1), (b)(2), 45 CFR 255.4(a)(2)(iii), (c)(2), (f)(2) and (i)(1), 45 CFR 255.4(j), and 45 CFR Part 256; and JOBS-FSA-AT-91-5.

Amend Section 42-751 to read:

42-751 UNDERPAYMENTS AND OVERPAYMENTS OF SUPPORTIVE SERVICES

42-751

.1 Definitions

- .11 Underpayments occur when it has been determined by the county that supportive service payments made to the participant, or the value of services provided on behalf of the participant, are less than those to which he/she is entitled as specified in Section 42-750. (Continued)
- .12 Overpayments occur when it has been determined by the CWD that supportive services payments made to the participant, or the value of services provided on behalf of the participant, exceed those to which he/she is entitled as specified in Section 42-750. (Continued)
- .121 The amount subject to collection procedures specified in Section 42-751.2, includes: (Continued)

(c) Payments provided which exceed those to which the participant is entitled when applying the standard work expense disregard for participants in on-the-job training, grant diversion, supported work or transitional employment assignments pursuant to the provisions of Section 42-750.7.  
(Continued)

10604

Authority Cited: Sections 10553 and 10554, <sup>^</sup>Welfare and Institutions Code.

Reference: Sections 11323.4(b) and (d)(1), and 11328, Welfare and Institutions Code, AB 312, Chapter 1568, Statutes of 1990; 45 CFR 205.10, 255.2(h)(1) and 255.4(j); and 54 FR 42234, October 13, 1989; JOBS-FSA-AT-91-5.

Amend Section 42-760 to read:

42-760 GAIN REGISTRATION

42-760

- .1 Unless exempt as specified in Sections 42-788 through 42-798~~9~~, the following individuals are automatically registered for GAIN: (Continued)

16604

Authority Cited: Sections 10553 and 10554, <sup>16604</sup>Welfare and Institutions Code.

Reference: Sections 10553, 10554, and 11320.4(e), Welfare and Institutions Code, AB 312, Chapter 1568, Statutes of 1990; 45 CFR 250.90, 45 CFR 250.94(a)(2), 45 CFR 250.95(b) and 45 CFR 250.97(f)(7).

Amend Section 42-761 to read:

42-761 GAIN REGISTRANT APPRAISAL

42-761

- .1 Except as specified in .2 below, the CWD shall conduct an appraisal as soon as administratively possible, but within 20 working days from the date the recipient/applicant or caretaker relative signs the AFDC Statement of Facts in the presence of an eligibility worker.
- .11 The CWD shall not conduct the appraisal activities specified in Sections 42-761.3 through 42-761.43, for individuals excluded from program participation in accordance with Sections 42-720.63 through .6433, unless the individuals are permitted to participate pursuant to Section 42-720.66 ~~or Section 42-720.67~~. The CWD shall collect data on these excluded individuals in conformity with DSS requirements.  
(Continued)
- .3 Appraisal activities shall include the following: (Continued)
  - .39 Enter into a basic contract with the registrant as provided in Section 42-772 unless deferred.
- .4 All of the following registrants shall have good cause for not participating and shall be deferred from mandatory participation until the CWD determines that the situation precluding participation no longer exists: (Continued)
  - (m) A parent or other adult relative who is caring for a child who meets the age requirements of Section 42-101.1 when the other parent or adult relative meets the following conditions:
    - (1) the other parent or adult relative is in the home;
    - (2) the other parent or adult relative does not meet any of the exemption criteria specified in Sections 42-789 through 42-795; and
    - (3) the other parent or adult relative is participating in the program;
  - (n) (Continued)
  - (o) (Continued)
  - (p) (Continued)
- .41 Deferral determinations for individuals meeting the criteria of Sections 42-761.4(e) ~~and (m)~~ shall be made prior to Appraisal.
  - .411 Data collection activities specified in Section 42-720.7 and deferral review activities specified in Section 42-761.43 are not required for individuals meeting the criteria of Sections 42-761.4(e) ~~and (m)~~. (Continued)

.43 The CWD shall document the projected length of time of the deferral.

.431 The CWD shall review the deferral situation periodically in accordance with the projected length of time of the deferral, but no less often than ~~every six months~~ annually. (Continued)

10604

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11323.15, 11323.2(a), 11323.4(d)(1), 11323.6(d)(1), 11325, 11325.2(c)(7) and 11330.3, Welfare and Institutions Code; 45 CFR 250.1; 45 CFR 250.41(a)(1)(i) and (b); 45 CFR 250.48(a) and 45 CFR 255.2(a); and 54 FR 42184, October 13, 1989.

Adopt Section 42-775 to read:

42-775 GAIN PARTICIPATION REQUIREMENTS FOR AFDC-U PARENTS

42-775

- .1 Notwithstanding the provisions of Sections 42-772 and 42-774, one parent in a family eligible for aid due to the unemployment of the principal earner shall be required to participate as specified in this section.
- .2 Following registration and appraisal, described in Sections 42-760 and 42-761, the parent subject to the provisions of this section shall be required to participate in an employment activity as specified in Section 42-775.3.
- .21 If, based on the appraisal, the county is unable to determine the appropriate employment activity, the parent shall be referred to assessment and development of an employment plan as described in Section 42-773.
  - .211 The county's criteria for determining when assessment is appropriate shall be subject to approval by CDSS.
- .3 Upon completion of appraisal or assessment, as appropriate, the parent shall be required to participate in at least one of the following employment activities for an average of at least 16 hours per week:
  - .31 Preemployment preparation (PREP) as described in Section 42-730.32.
    - .311 If the required number of PREP participation hours, determined in accordance with Section 42-730.323, is less than 16 hours per week, participation for the required number of PREP hours will satisfy the 16-hour per week requirement.
  - .32 On-the-job training (OJT) as described in Section 42-730.33.
  - .33 Any activity funded by grant diversion as specified in Sections 42-730.33, .34 and .4.
  - .34 Unsubsidized employment of 16 or more hours per week.
    - .341 Unsubsidized employment of fewer than 16 hours per week may be combined with an employment activity or activities specified in this section.
- .4 Notwithstanding any other provisions of these regulations, concurrent participation in an employment activity listed in Section 42-775.3 and any other program activity may be required as needed to meet the participant's employment goal.

.41 Except as specified in Section 42-775.5, participation in an activity other than those specified in Section 42-775.3 shall not count toward the 16-hour per week requirement.

.42 For purposes of long-term basic PREP, cause determination, conciliation and sanctions (Sections 42-774.3, 42-781 and 42-786), participants shall participate and maintain satisfactory progress in each assigned activity.

.43 The county's criteria for determining when concurrent participation is appropriate shall be subject to approval by CDSS.

.5 For parents under age 25 who do not possess a high school diploma or equivalent, participation in education activities as described in Section 42-730.5 may be required in lieu of the activities specified in Section 42-775.3.

.51 For purposes of Section 42-775.5, participants who maintain satisfactory progress in the educational activity, as specified in Section 42-772.511, shall satisfy the 16-hour per week requirement.

.511 If, in accordance with Section 42-772.511, it is determined that the parent is unable to maintain satisfactory progress, he/she shall be referred to one of the following:

(a) a different educational program which meets the special needs of the participant and is consistent with the employment goal;

(b) reassessment; or,

(c) an employment activity described in Section 42-775.3.

.52 Notwithstanding any other provision of these regulations, concurrent participation in an educational activity pursuant to Section 42-775.5 and an employment activity described in Section 42-775.3 or any other program activity may be required.

.521 Only the hours of participation in an educational activity and an employment activity described in Section 42-775.3 shall count toward the 16-hour per week requirement.

.522 For purposes of long-term basic PREP, cause determination, conciliation and sanctions (Sections 42-774.3, 42-781 and 42-786), participants shall participate and maintain satisfactory progress in each assigned activity.

.523 The county's criteria for determining when concurrent participation is appropriate shall be subject to approval by CDSS.

- .6 For purposes of this section, the participant's hours of participation may be averaged over a one-month period so that the average equals or exceeds 16 hours per week for that month.

10604

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11320.8(a), 11322.4(f), 11322.8(f) and (g), 11323.15, 11325, 11325.2(a)(7) and (c)(9), 11325.8(b), and 11327.4(a), Welfare and Institutions Code; 45 CFR 250.33; 45 CFR 250.41; 45 CFR 250.74(c)(1); 42 U.S.C. 603(1)(4)(A) and (B)(i); and JOBS-ACF-AT-93-7.

11325.2 (C)(7)

Amend Section 42-781 to read:

42-781 CAUSE DETERMINATIONS AND CONCILIATION

42-781

- .1 Before sanctions (Section 42-786) are applied, the CWD shall determine if there is good cause and attempt to resolve the problems when an individual who is required to enter into a participant contract or who volunteers to participate in the program fails or refuses to comply with program requirements.
  - .11 Failing or refusing to comply with program requirements is limited to:
    - .111 Failing or refusing to enter into a participant contract.
    - ~~/111~~ (a) (Continued)
    - .112 Failing or refusing to participate in any assigned program activity.
    - .113 Failing or refusing to accept a job offer or a job referral.
    - .114 Terminating employment
    - ~~/111~~ (a) (Continued)
    - .115 Reducing earnings
- .2 The CWD shall give the individual an opportunity to demonstrate that he/she had good cause for the failure or refusal to comply with program requirements.
  - .21 The CWD shall send the individual a written appointment notice to meet and discuss the reason(s) for the failure or refusal. The CWD shall make reasonable efforts to send this notice at least six working days prior to the scheduled interview. The interview for determination of cause shall be scheduled to occur within ten working days of the discovery of the refusal or failure.
    - .211 The notice shall contain the following information: (Continued)
      - (g) A statement that, after the cause determination has been made, the individual has the right to a conciliation period that shall not exceed ~~30~~ 20 calendar days if the CWD finds that the failure or refusal to comply with program requirements was without good cause. (Continued)
      - (k) The consequences of the individual's failure to resolve the dispute by the end of the ~~30~~ 20-calendar-day conciliation period. (Continued)

- .22 If the individual contacts the worker prior to or within one working day following the scheduled interview to request a rescheduling, the individual shall be permitted one reschedule of the cause determination interview. This rescheduled interview shall take place within 10 five working days of the initially scheduled appointment, unless delayed by extenuating circumstances. (Continued)
- .25 A cause determination shall be made within 10 15 working days from the date of the discovery of the failure or refusal to comply with program requirements, unless delayed by extenuating circumstances which shall include: (Continued)
- .4 If the CWD determines that no good cause existed for the failure or refusal to comply with program requirements, the CWD shall conduct conciliation.
- .41 The CWD shall schedule an appointment at which the CWD and the individual shall attempt to reach agreement on program participation and resolve any problems that are contributing to the failure or refusal to comply with program requirements. The CWD shall issue a written notice informing the individual of the results of the good cause determination and of the conciliation appointment. The notice shall be issued within five working days of the cause determination, unless delayed by extenuating circumstances. The 10 20-calendar-day conciliation period begins on the date the CWD issues the notice informing the individual of the conciliation appointment.
- .411 The notice that begins conciliation shall be issued at least six working days prior to the scheduled appointment and shall contain all of the following: (Continued)
- (c) A statement that the individual has entered into a period of conciliation that shall not exceed 10 20 calendar days. (Continued)
  - (k) The consequences of the individual's failure to resolve the dispute by the end of the 10 20-calendar-day conciliation period. (Continued)
- .6 The conciliation period shall not exceed 10 20 calendar days.
- .61 Either the individual or the CWD shall be permitted to terminate conciliation before the end of the 10 20-calendar-day period if one of the following conditions is met: (Continued)
- .62 An extension of the conciliation period for 10 calendar days shall be available upon agreement in writing by the individual and the CWD only if both of the following conditions are met:
- .621 The individual has made a reasonable effort to conciliate during the initial 10 20-calendar-day period and significant progress has been made toward a resolution of the dispute; and (Continued)

181 The CWD shall issue the individual a written appointment notice to meet and discuss the problem. The appointment shall be held within 10 working days of the discovery of the failure or refusal to meet the terms of the agreed-upon conciliation plan, unless the CWD is delayed by extenuating circumstances, which shall include insufficient time to issue the notice required in section 42781/81 at least six working days prior to the scheduled appointment.

1811 The notice shall contain the following information:

- 1a) A statement that the appointment is to determine if the individual had good cause for not complying with the terms of the conciliation plan.
- 1b) A description of the conciliation plan requirement(s) with which the individual failed or refused to comply.
- 1c) A statement that the individual has the right to demonstrate why he/she failed or refused to comply with the terms of the conciliation plan.
- 1d) The date, time and location of the scheduled appointment.
- 1e) A statement that transportation and child care services are available if needed in order to attend the appointment.
- 1f) A listing of what may constitute good cause for failing or refusing to comply with the terms of the conciliation plan.
- 1g) A statement that the individual's failure to attend this appointment shall result in a cause determination in his/her absence, based on available information.
- 1h) The names, telephone numbers, and addresses of the local legal services office and welfare rights office, or the coalition of California Welfare Rights Organizations, if there are no welfare rights or legal aid offices in the county, which could assist the individual with this cause determination.
- 1i) A statement that the individual shall be subject to sanctions if he/she is found to be without good cause for not complying with the terms of the conciliation plan.

.81 The CWD shall make reasonable efforts to contact the individual to determine if the individual had good cause for failing or refusing to comply with the conciliation plan.

.811 "Reasonable efforts" include, but are not limited to, a written or telephone contact.

- (a) The county shall document in the case file its efforts to contact the individual.

.812 If the individual who fails or refuses to comply with program requirements is an unemancipated 16 or 17 year old custodial parent as described in Section 42-772.73 who lives with his or her parent(s) or legal guardian, the CWD shall also ~~and~~ make a ~~notice~~ reasonable effort to contact the individual's parent(s) or legal guardian.

The parent(s) or legal guardian shall be allowed to attend any meetings between the CWD and the teenage parent that are designed to encourage the noncooperating teenage parent to participate.

.82 If the ~~individual fails to attend the appointment~~ CWD is unable to contact the individual, the CWD shall make a cause determination in his/her absence, based on available information. (Continued)

.84 If the CWD determines that no good cause existed for the failure or refusal to fulfill the terms of the agreed-upon conciliation plan, the individual shall be ~~subject to sanctions~~ sanctioned as specified in Section 42-786.

.9 If, at the end of the ~~10~~ 20-calendar-day conciliation period, the individual continues to fail or refuse to comply with program requirements, the CWD shall follow the procedures in Section 42-786 for sanctions.

10604

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11323.15, 11327.4, ~~11327.4(b)(1)~~ ~~11327.4(c)(1)~~ ~~11327.4(d)(1)~~ ~~11327.4(e)(1)~~ 11327.5(c)(1), and 11330.10(c), Welfare and Institutions Code; 45 CFR 250.34(a); and FSA-JOBS-90-3 (Federal Action Transmittal).

Amend Section 42-784 to read:

42-784 METHOD OF DETERMINING NET LOSS OF INCOME FOR GAIN  
GOOD CAUSE CRITERIA (Continued)

42-784

.4 Post employment income shall be determined as follows: (Continued)

- .44 If the family would remain eligible for aid, add the amount of cash assistance that would be received if the job were accepted to the amount determined in Sections 42-784.42 and 42-784.43.

*/441 For purposes of this section/ the AFDC one third disregard shall be excluded when determining the amount of cash assistance/*

HANDBOOK BEGINS HERE

.5 Examples

- .51 The participant's assistance unit consists of a single mother and two children, one of whom needs child care. *The assistance unit is receiving a maximum aid payment (MAP) of \$694 per month and has no net nonexempt income/* The minimum basic standard of adequate care (MBSAC) for a family of three is \$715\*; the maximum aid payment (MAP) is \$607. There is no unearned income.

\* All amounts are for illustration purposes only.

The participant is offered a job that pays \$750 per month, which is insufficient to ~~immediately~~ make the family ineligible for aid, as it does not exceed 185% of ~~the minimum basic standard of adequate care (MBSAC)~~. Mandatory deductions are estimated to be \$150 per month; child care is estimated to be \$250 per month; and transportation is estimated to be \$100 per month. *The participant is not eligible for TCC because the grant calculation/ excluding the one third disregard/ does not make the family ineligible for aid/* Because the family remains eligible for aid, the estimated child care cost will be used in the NLI calculation as the participant is not eligible for TCC; the participant is eligible for supplemental child care (SCC).

The AFDC grant/ *excluding the one-third disregard/* is calculated as follows:

Gross earnings from job offered	\$750
- Standard work expense disregard	- 90
- \$30 disregard	- 30
Subtotal	<u>\$ 630</u>
- One-third disregard (of subtotal)	-210
-Child care disregard for one child	-175
+ <del>Net</del> <u>Unearned</u> income	+ 0
TOTAL NET INCOME	<u>\$485 245</u>

MAP MBSAC for a family of three	\$694 715
- Net income	-433 245
<u>TOTAL NEW POTENTIAL GRANT</u>	<u>\$239 470</u>
MAP for a family of three	\$607
<u>NEW CASH GRANT AMOUNT</u> (lesser of POTENTIAL GRANT and MAP)	<u>\$470</u>

The calculation for post-employment income, to determine if a net loss of income exists, is:

Current Income	\$694 607
Gross earnings from job offered	\$750
- Mandatory deductions	-150
- <del>Actual</del> Estimated child care	-250
- Transportation	-100
+ <del>Net nonexempt</del> Unearned income	+ 0
+ Cash grant	+239 470
+ Supplemental child care	+ 75
<u>TOTAL POST-EMPLOYMENT INCOME</u>	<u>\$489 795</u>

Because the post-employment income of ~~\$489~~ \$795 per month is ~~less~~ more than the current income of ~~\$694~~ \$607 per month, the participant ~~is not~~ would be required to accept the job as it would not result in a net loss of income.

- .52 The participant's assistance unit consists of a single mother and ~~two~~ three children, ~~one~~ all of whom need child care; one child is under two. The MBSAC for a family of four is \$848; ~~The assistance unit~~ family has no unearned income of \$30 per month and receives an aid payment MAP of ~~\$644~~ \$723 per month.

The participant is offered a job that pays ~~\$1100~~ \$750 per month, which is insufficient to ~~immediately~~ make the family ineligible for aid, as it does not exceed 185% of MBSAC. Mandatory deductions are estimated to be ~~\$220~~ \$150 per month; child care is estimated to be ~~\$250~~ \$900 per month; transportation is estimated to be \$100 per month. ~~The participant is eligible for TCC because the grant calculation/ excluding the one child disregard/ makes the family ineligible for aid/~~ Because the family ~~does not~~ remains eligible for aid, the TCC share of cost will be used in the NLI calculation participant is not eligible for TCC; therefore, the estimated child care costs will be used in the NLI calculation. The participant is eligible for SCC.

The AFDC grant/ ~~excluding the one-third disregard~~/ is computed calculated as follows:

Gross earnings from job offered	\$1100 750
- Standard work expense disregard	- 90
- \$30 disregard	- 30
Subtotal	\$ 630
- One-third disregard (of subtotal)	-210
- Child care disregard for <del>one child</del> three children	-178 420**
+ Unearned income	+ \$0
TOTAL NET INCOME	\$ 888 - 0
MAP MBSAC for a family of <del>three</del> four	\$ 894 848
- Net income	-888 0
TOTAL NEW POTENTIAL GRANT	\$ 0 848
MAP for a family of four	\$ 723
NEW CASH GRANT AMOUNT (lesser of POTENTIAL GRANT and MAP)	\$ 723

The calculation for post-employment income, to determine if a net loss of income exists, is:

Current Income	\$ 894 723
Gross earnings from job offered	\$1100 750
- Mandatory deductions	-220 150
+ <del>the share of cost</del>	+ 21
- Estimated child care	-900
- Transportation	-100
+ <del>net nonexempt</del> Unearned income	+ \$0
+ Cash grant	+ 0 723
+ Supplemental child care	+480
TOTAL POST-EMPLOYMENT INCOME	\$ 889 803

Because the post-employment income of \$889 \$803 per month exceeds the current income of \$894 \$723 per month, the participant is required to accept the job, as there is no net loss of income.

\*\* Although the participant qualified for a child care disregard in the amount of \$550, only \$420 was applied as that was the amount left from the earnings after applying the other disregards.

- .53 The participant's assistance unit consists of a single mother and two children, ~~one~~ both of whom need child care. The ~~assistance unit~~ MBSAC for a family of three is \$715; the family is receiving a MAP of ~~\$694~~ \$607 per month and has no ~~net nonexempt~~ unearned income.

The participant is offered a job that pays ~~\$1300~~ \$1400 per month, which ~~immediately makes~~ would make the family ineligible for aid, as it does exceed 185% of ~~the~~ MBSAC. The participant is not eligible for TCC because she has not received aid for three of the past six months/. Because the family would be ineligible for AFDC, she is also ineligible for supplemental child care. Therefore, estimated child care costs will be used in the NLI calculation. Mandatory deductions are estimated to be ~~\$260~~ \$280 per month; child care is estimated to be ~~\$250~~ \$500 per month; and transportation is estimated to be \$100 per month.

A grant calculation is not required because the family ~~is immediately~~ would be ineligible for aid.

The calculation for post-employment income, to determine if a net loss of income exists, is:

Current Income	\$ <del>694</del> 607
Gross earnings from job offered	<del>\$1300</del> 1400
- Mandatory deductions	-260 280
- <del>Actual</del> Estimated child care	-250 500
- Transportation	-100
+ <del>Net nonexempt</del> Unearned income	+ 0
+ Cash grant	+ 0
TOTAL <u>POST-EMPLOYMENT INCOME</u>	\$ <del>690</del> 520

Because the post-employment income of ~~\$690~~ \$520 per month is less than the current income of ~~\$694~~ \$607 per month, the participant is not required to accept the job as there ~~is~~ would be a net loss of income.

HANDBOOK ENDS HERE

10604

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 11328(k), Welfare and Institutions Code, AB 312, Chapter 1568, Statutes of 1990; ~~and~~ 45 CFR 250.35(c); and 54 FR 42174.

Amend Section 42-786 to read:

42-786 GAIN SANCTIONS (Continued)

42-786

.3 During the sanction period, aid shall be discontinued to the individual or assistance unit as specified below:

.31 If the individual who failed or refused to participate is: (Continued)

.314 A parent in a family whose sole basis of deprivation is the unemployment of the principal earner, his/her aid shall be discontinued. In addition, if the sanctioned parent's spouse or the second parent is not participating in the program, aid to the spouse or second parent shall also be discontinued except as specified in Section 42-786.314(b).

(a) For purposes of this section, full-time employment of at least 430 hours per week at minimum wage or above shall satisfy the participation requirement for the spouse or second parent as specified in Section 42-786.314.

(b) For purposes of this section, ~~neither~~ the exemption criteria specified in Sections 42-7895 through 42-7996 ~~nor the deferral criteria specified in Section 42-761.4~~ shall not apply to the spouse or second parent. If the spouse or second parent meets any other exemption, deferral or good cause criteria, as described in Sections 42-788 through 42-794, 42-797 through 42-799, 42-761.4 or 42-782, he/she shall not be required to participate in order for his/her aid to continue. (Continued)

(g) If the spouse or second parent chooses to participate and subsequently fails or refuses to comply with program requirements, prior to the reinstatement of the sanctioned first parent, he/she shall be subject to the provisions of Section 42-781 and this section. Aid for the spouse or second parent shall be discontinued. This discontinuance shall be effective the first day of the first payment month following the date of the noncooperation and the county's timely notice and shall continue until the first parent has cured his/her sanction.

~~(1) The following provisions do not apply to a spouse or second parent who chooses to participate to avoid the first parent's sanction and subsequently fails or refuses to comply with program requirements:~~

~~(A) exemptions as specified in Sections 42-789 through 42-799;~~

~~(B) deferrals as specified in Section 42-761.4;~~

~~10Y~~ ~~conciliation as specified in 42-781/ and~~

~~10Y~~ ~~good cause as specified in sections 42-782~~  
~~through 42-784/~~

.4 The discontinuance from aid shall become effective at the end of the month following the CWD's timely and adequate notification (see Section 22-022.1), except as specified in Sections 42-786.41 and 42-787.61 below:

.41 If the recipient appeals the sanction through the state hearing process within the period of timely notification, no sanction shall be imposed until the hearing decision is reached. However, pending the hearing decision, GAIN supportive services shall be available to the recipient only at the level and in the form authorized by the county action under appeal. (See Section 42-750.712.) (Continued)

.5 The CWD shall arrange for a protective payee in accordance with Section 44-309 as specified in Sections 42-786.311 ~~and 42-786/314/AY~~. (Continued)

10604

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11323.15, 11327.4(j), 11327.5(b), (c)(1)(A) and (B), (2) and (3) and (d), Welfare and Institutions Code; 45 CFR 250.30(b)(7); 45 CFR 250.34(c)(2) and (3); 45 CFR 255.2(h)(2); and 54 FR 42173, October 13, 1989; and JOBS-ACF-AT-92-5.

Amend Section 42-787 to read:

42-787 GAIN STATE HEARING AND FORMAL GRIEVANCE (Continued)

42-787

.1 State Hearing (Continued)

- .13 With the exception of GAIN supportive services (see Section 42-750.712), aid will continue if the individual appeals through the state hearing process within the period of timely notification (see Section 42-786.41).

.2 Formal Grievance (Section 5302 of the Unemployment Insurance Code)

- .21 The procedures established for a formal grievance by the Unemployment Insurance Code are the same as those required for a cause determination and ~~formal~~ conciliation as specified in Section 42-781. These procedures shall not exceed thirty (30) days. (Continued)

10604

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: 45 CFR 255.2(h)(2).



## **GAIN Guidebook Stuffer**

**Starting January 1, 1994:**

- If you are a parent in a home where the other parent or aided adult is in GAIN, you must also be in GAIN unless you are exempt or deferred (see page 4 for exemptions and deferrals). But you can no longer be deferred just because the other parent or aided adult is in GAIN.
  - If your family is a two-parent family getting AFDC because of unemployment, one parent must be participating in at least one work activity for an average of 16 hours per week. These work activities include on-the-job training, PREP and grant diversion assignments.
  - You do not have to accept a work or training slot if it would mean that a current employee loses his/her job or part of his/her job or his/her work hours, wages or benefits would be lowered.
  - If you are a two-parent family getting AFDC due to unemployment, and the parent that must be in GAIN is sanctioned, you will also lose your aid unless you participate in GAIN or you are exempt or deferred or you have an other good reason for not participating (see page 4 for exemptions and deferrals and page 8 for good reasons).
- 
- The time allowed for conciliation to resolve participation problems has been lowered from 30 to 20 days.
  - If you are in an on-the-job training assignment, your transportation or work and/or training related expense payment may be lowered by the AFDC work expense disregard.

State of California  
Department of Social Services

Manual Msg. No.: M42-786\_ 1 of 2  
Action : Change  
Issue: GAIN  
Title: Discontinuance of GAIN  
Sanction for Second Parent

Auto ID No. :  
Flow Chart No. :  
Source : GAIN  
Regulation Cite: 42-786.3

Effective Date: 01/01/94  
Revision Date :

MESSAGE:

As of \_\_\_\_\_, the County is changing your cash aid from \$\_\_\_\_\_ to \$\_\_\_\_\_. Cash aid will start again for \_\_\_\_\_, the family's second parent.

HERE'S WHY:

On January 1, 1994, state law changed. Second parents in AFDC-U families who have been sanctioned because they did not take part in GAIN when the other parent was sanctioned can now qualify for exemptions (except for providing care to a child under three years of age or to a disabled household member), deferrals or good cause reasons.

Your GAIN worker will contact you to find out if any of the exemptions, deferrals or good reasons apply to you. If they do, you will not have to take part in GAIN until your situation changes. If they do not, the county will tell you when you have to be in GAIN.

If you have any questions, contact \_\_\_\_\_ at \_\_\_\_\_.

Your new cash aid amount is figured on this notice.

State of California  
Department of Social Services

Manual Msg. No.: M42-786\_ 2 of 2  
Action : Change  
Issue: GAIN  
Title: Discontinuance of GAIN  
Sanction for Second Parent

Auto ID No. :  
Flow Chart No. :  
Source : GAIN  
Regulation Cite: 42-786.3

Effective Date: 01/01/94  
Revision Date :

INSTRUCTIONS: Use to discontinue the sanction of a second parent in an AFDC-U case who failed/refused to participate when the first parent was sanctioned.

Fill in the effective date of the change in the case aid amount and the old and new amounts.

Identify the family's second parent who has been sanctioned and whose sanction is being discontinued.

Identify the individual and his/her phone number at the CWD who the participant can contact.

Show the new budget computation in the right hand column.

# **IMPORTANT NOTICE FOR GAIN PARTICIPANTS IN ON-THE-JOB TRAINING AND GRANT DIVERSION ASSIGNMENTS**

## **A CHANGE IN STATE LAW**

## **PLEASE READ**

AS OF JANUARY 1, 1994, the State law lowers the amount of transportation and/or work-related expense payments you can get while you are in an on-the-job training or grant diversion assignment. This change will begin the month after you get this notice.

Your transportation and/or work-related expense payment will be lowered by either the standard Aid To Families With Dependent Children (AFDC) work expense disregard (currently \$90) or the amount of your earnings, which ever is less. You will get a notice each month that there is a change showing you the exact computation of your payment. If you are overpaid, you will have to pay this money back. You will get a notice if you are overpaid.

You need to plan for this change. See the example below to see how the new rule works.

Call your county GAIN worker if you need more information about this new rule.

### **EXAMPLE**

If your monthly earnings are:	(more than \$90)	(less than \$90)
Your monthly earnings	\$ 735	\$ 85
Your transportation request would be figured like this:		
GAIN transportation expense request	\$ 150	\$ 150
Standard work expense disregard	- \$ 90	- \$ 85
GAIN transportation payment	= \$ 60	= \$ 65

These rules apply; you may review them at your welfare office:  
MPP 42-750.4, 42-750.5, 42-750.7.